



**MINUTES  
PUBLIC MEETING  
June 23, 2005  
11:00 AM  
STATE HOUSE ROOM 233**

**I. Call to Order**

The meeting was called to order by Jeff Heinzmann.

**II. Roll Call**

Ryan Kitchell, Jeff Heinzmann, Tim Berry, and Judy Rhodes were present. The other state board of finance appointment seat was still vacant. It was mentioned that three votes were needed for a positive vote on any motions made during this meeting.

**RFP 2005-03, Investment Consultant Services**

**A. Committee Discussion**

Jeff Heinzmann opened floor for discussion of presented proposals. Tim Berry made motion to begin negotiations with Capital Cities. Ryan Kitchell seconded the motion and asked if there was any discussion before voting.

Judy Rhodes stated that she thought it was very interesting how thorough an evaluation of our plan the Capital Cities presentation was, while the other two presentations appeared to not make same effort and not clear of particulars of our plan. Tim Berry agreed that the difference was extreme. Jeff Heinzmann stated that Segal seemed not to have an understanding of the structure of the plan and that NEPC (New England Pension Consultants) clearly had an understanding of the Indiana Stable Value Fund but that plans like Hoosier S.T.A.R.T.® were clearly not their focus. Ryan Kitchell stated that NEPC was great overall but not for this plan. Judy Rhodes asked if Hoosier S.T.A.R.T.® would be Capital Cities' largest client. Joe Bill Wiley stated that in terms of assets yes, but not in participants. Ryan Kitchell stated that what he liked was the experience Capital Cities staff has with the Indiana Stable Value Fund. Jeff Heinzmann stated that he liked the fact that Capital Cities is local. Judy Rhodes agreed that is very nice to know where to find the Consultant. She felt that Mellon was very tenuous and hard to get information from. Tim Berry stated that awarding the contract to Capital Cities would fit with the "Buy Indiana" initiative. There being no further discussion, Jeff Heinzmann called for a vote. The motion passed unanimously.

**IV. Old Business**

#### **A. Next Meeting Dates**

The Committee discussed scheduling quarter meetings on a standard rotation so that dates allowing predictable annual scheduled meetings. Jeff Heinzmann requested that all Committee members bring their calendars to the next meeting to complete this goal.

Judy Rhodes expressed a preference for Fridays. This was agreeable to all Committee members. August 26, 2005 at 8:00 a.m. EST was set for the next quarterly meeting.

#### **B. Mellon Billing**

Jeff Heinzmman addressed the fact that Mellon had submitted an invoice for the 1<sup>st</sup> quarter billing its normal quarterly amount. He proposed offering to pay Mellon ½ of the amount billed due to Mellon's failure to appear at the 1<sup>st</sup> quarter meeting which is part of contract of services, and specifically mentioned on the invoice. This was agreeable to the Committee.

#### **C. Leave Conversion**

Jeff Heinzmann reported that the Executive Branch had declined to participate in the Leave Conversion program. The Legislative and Judiciary decided to participate and work is being done to get the pilot program started by the December 31 deadline.

### **V. New Business**

#### **A. Contract with Capital Cities**

Jeff Heinzmann and Gary Dankert will begin work on contract with Capital Cities.

Judy Rhodes asked Capital Cities what they would be presenting at the 2<sup>nd</sup> quarter meeting. Joe Bill Wiley reported that they would be presenting the quarterly report and assuming the contract aspect could be worked out he would have results of possible searches. Judy Rhodes asked if Capital Cities would also provide an evaluation of the investment structure. Joe Bill Wiley stated that he did intend to have an evaluation completed; however they would need more information from Great-West. Judy Rhodes expressed concern that too much was being attempted for the quarterly meeting and proposed that a meeting before August 26<sup>th</sup> be scheduled. The Committee and Capital Cities discussed the timeframe needed for the evaluation and search that would be needed. It was determined to meet again on July 1, 2005. Capital Cities will present evaluation and make recommendations.

### **VI. Adjournment**

Having no further the meeting was adjourned at 11:30 a.m.